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20198 *Thugman***DECISION****THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

FILE: B-202724

DATE: December 9, 1981

MATTER OF: Washington Patrol Service, Inc.

**DIGEST:**

Where only one responsive bid was received and a price analysis and comparison with hourly charges on prior contracts indicates that the sole bid may be at an unreasonable price, cancellation of the IFB after bid opening is justified.

Washington Patrol Service, Inc. (WPS), protests the cancellation of invitation for bids (IFB) GS-11C-10133 issued by the National Capital Region of the General Services Administration (GSA) for security guard service at the Waterside Mall and Mayfair Building in Washington, D.C.

The IFB, a total small business set-aside, was issued to eight security guard services, and bids were received from three bidders. However, only one bid, that of the protester, was responsive. The contracting officer made a determination that the bid received did not provide competition which was adequate to insure reasonable prices within the meaning of Federal Procurement Regulations (FPR) § 1-2.404-1(b)(7) (1964 ed. amend. 121). Consequently, the IFB was canceled and the contract was resolicited.

The record shows that the contract was solicited with a wage rate determination of \$5.48 per hour. A price analysis indicated that the bid by WPS of \$8.75 per hour was \$3.27 per hour more than the wage rate. This compared with differences between the hourly rate charged and the hourly wage rate determination on four prior contracts in the Washington, D.C., area, ranging from \$1.81 to \$2.53. The difference between the bid price of WPS and the wage determination is approximately 30 to 80 percent higher than the differences in the prior procurements and, since WPS was the incumbent contractor, no startup costs would be incurred. Although the hourly charge appeared unreasonably high, the agency found that it was not possible to

determine a reasonable price since WPS was the only responsive bidder. The agency therefore decided to cancel the solicitation and resolicit.

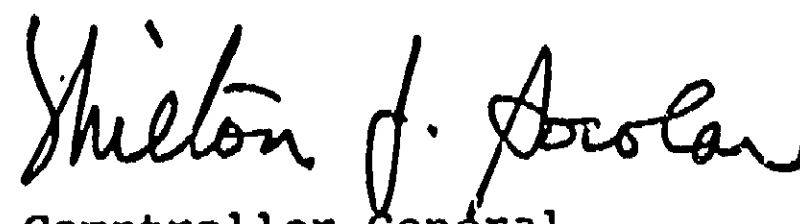
WPS contends that the evidence shows that cost was not the real consideration which prompted cancellation. WPS states that in two informal communications, GSA employees informed the Secretary-Treasurer of WPS that the solicitation was to be canceled for undefined possible changes in the specifications. WPS alleges also that it was advised that until such changes were worked out, the agency intended to install Federal Protective Services personnel at hourly rates of over \$10 for a guard supervisor and nearly \$10 for a guard, or at a higher cost than the WPS bid. Therefore, because of the informal notification that "undefined" specification changes were under consideration and that Federal Protective Services personnel were to be used in the interim, WPS contends that the real reason, at which WPS admits it "can only guess," is not a basis justifiable under the FPR.

Whether or not the agency had an intention to utilize Federal Protective Services personnel, Federal Protective Services personnel were not utilized. A 4-month extension of the existing contract with WPS was negotiated.

Section 1-2.404-1 of FPR provides that unless there is a compelling reason to reject all bids, preservation of the integrity of the competitive bidding system dictates that, after bids have been opened, award must be made to the lowest responsive, responsible bidder. Among justifiable reasons for rejection of all bids and cancellation of an IFB is the determination that all otherwise acceptable bids received are at unreasonable prices or that the bids received did not provide competition which was adequate to insure reasonable prices.

The price analysis, together with the fact that only one responsive bid was received, supports the written determination of the contracting officer that competition was insufficient to insure reasonable prices and justifies the cancellation.

The protest is denied.

for   
Comptroller General  
of the United States